

Seshasayee Paper and Boards Limited



Fifty Fourth Annual Report

2013-14

— SESHASAYEE PAPER AND BOARDS LIMITED —

DIRECTORS

Sri N GOPALARATNAM, *Chairman*

Sri ARUN G BIJUR

Sri BIMAL KUMAR PODDAR

Sri R V GUPTA, I A S (Retd.)

Sri MOHAN VERGHESE CHUNKATH, I A S, *Nominee of Government of Tamilnadu*

Dr S NARAYAN, I A S (Retd.)

Mrs PHILOMINA THOMAS, *Nominee of LIC*

Sri S K PRABAKAR, I A S, *Nominee of TIIC*

Sri V SRIDAR

Sri K S KASI VISWANATHAN, *Managing Director*

Sri V PICHAI, *Deputy Managing Director & Secretary*

AUDITORS

M/s SURI & CO., Chennai

Messrs S VISWANATHAN, Chennai

M/s MAHARAJ N R SURESH AND CO., Chennai

COST AUDITOR

M/s S MAHADEVAN & CO., Coimbatore

BANKS

SYNDICATE BANK

CANARA BANK

CENTRAL BANK OF INDIA

UCO BANK



REGD. OFFICE

PALLIPALAYAM, CAUVERY RS PO,
ERODE - 638 007, NAMAKKAL DISTRICT,
TAMIL NADU

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NOTICE



Notice is hereby given that the Fifty Fourth Annual General Meeting of the Members of the Company will be held at the Community Centre, SPB Colony, Erode 638 010, on Friday, the July 25, 2014, at 10.15 AM, to transact the following business:

ORDINARY BUSINESS

1 Adoption of Accounts, etc.

To consider and adopt the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2 Declaration of Dividend

To declare a dividend.

3 Re-appointment of retiring Director

To appoint a Director, in the place of Sri Bimal Kumar Poddar (DIN: 00031146) who retires by rotation and being eligible, offers himself for re-appointment.

4 Appointment of Auditors

To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board, the Company do hereby appoint the retiring Auditors of the Company as Statutory Auditors for a further period as under :

- (i) M/s Suri & Co., (Firm Registration No. 004283S), Chartered Accountants, Chennai and Messrs S Viswanathan, (Firm Registration No. 004770S), Chartered

Accountants, Chennai for a period of three years from the conclusion of this Annual General Meeting till the conclusion of the Fifty Seventh (57th) Annual General Meeting and

- (ii) M/s Maharaj N R Suresh and Co., (Firm Registration No. 001931S), Chartered Accountants, Chennai, for a period of four years from the conclusion of this Annual General Meeting till the conclusion of the Fifty Eighth (58th) Annual General Meeting.
- (iii) The appointment of Auditors as above shall be subject to ratification by Members at every Annual General Meeting in accordance with the first proviso to Section 139(1) of the Companies Act, 2013 or as may be amended or clarified by the Central Government from time to time.
- (iv) The Board of Directors be and are hereby authorised to fix their remuneration on the recommendations of the Audit Committee each year”.

SPECIAL BUSINESS

5 Appointment of Independent Directors

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Sri R V Gupta, IAS (Retd.) (DIN : 00017410) a Director of the Company who retires by rotation at this Annual General Meeting be and is hereby appointed as an Independent Director of the company to hold office for a fixed term from 25th July 2014 to 31st March 2019

co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act.”

- 6** To consider and, if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Sri V Sridar (DIN : 02241339) a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for a fixed term from 25th July 2014 to 31st March 2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act.”

- 7** To consider and, if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, Dr S Narayan, IAS (Retd.) (DIN : 00094081) a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation be and is hereby appointed as an Independent Director of the Company to hold office for a fixed term from 25th July 2014 to 31st March

2019 co-terminus with the expiry of five consecutive years in office from the commencement of Section 149 of the Act.”

- 8 Appointment of Sri N Gopalaratnam, as Chairman**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Sri N Gopalaratnam (DIN: 00001945)) as Chairman of the Company with executive powers, for a period of 3 (three) years with effect from April 01, 2014, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include (the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Sri N Gopalaratnam, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

9 Appointment of Sri K S Kasi Viswanathan, as Managing Director

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Sri K S Kasi Viswanathan (DIN: 00003584) as Managing Director of the Company, for a period of 3 (three) years with effect from April 01, 2014, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include (the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Sri K S Kasi Viswanathan, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

10 Appointment of Sri V Pichai, as Deputy Managing Director & Secretary

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203, read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Sri V Pichai (DIN: 00263934) as Deputy Managing Director & Secretary of the Company, for a period of 3 (three) years with effect from April 01, 2014, on the terms and conditions, including remuneration, as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include (the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Sri V Pichai, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

11 Remuneration to Cost Auditor

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2014-15, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take such steps as may be necessary, proper or expedient to give effect to this Resolution.”

12 Borrowing Powers

To consider and, if thought fit, to pass with or without modifications, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (which power the Board may exercise by delegation to a duly constituted Committee thereof) for borrowing moneys for the purpose of the business of the Company, from time to time, upon such terms and conditions as they think fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves, provided that the total amount upto which money be borrowed by the Board of Directors, apart from the

temporary loans obtained from the Company’s Bankers in the ordinary course of business, shall not exceed ₹ 1000 crores (Rupees one thousand crores only).

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby given to the Board of Directors for securing the repayment of the said borrowing, with interest, costs and other moneys in such manner as they may think fit and for that purpose to execute mortgages, charges and / or hypothecation in respect of the whole or any part of the properties and assets of the Company, both present and future and on such terms and conditions as the Board of Directors may think fit from time to time.”

13 Mortgage of Assets

To consider and, if thought fit, to pass with or without modifications, the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include a duly constituted Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of Banks / Financial Institutions and / or other Lenders / Investing Agencies / Trustees for Debentures / Bonds to secure borrowings from time to time provided that the aggregate of

borrowings so secured shall not exceed ₹ 1000 crores (Rupees one thousand crores only) outstanding at any time exclusive of interest, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of such borrowings.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised and empowered to finalise, settle and execute requisite agreements, documents, deeds, indemnities, guarantees, declarations or other legal undertakings and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid.”

(By Order of the Board)
For Seshasayee Paper and Boards Limited

(V PICHAI)
Deputy Managing Director & Secretary
Chennai
May 30, 2014

Notes :

- 1 The relative Statement, pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business set out under items 5-13, is annexed hereto.
- 2 For appointment of Directors, disclosure, as required under Clause 49 of the Listing Agreement is annexed hereto.
- 3 A Member, entitled to attend and vote at the meeting, is entitled to appoint one or more Proxies, to attend and vote on a Poll, instead of himself and such Proxy need not be a Member of the Company.
- 4 **Proxies, in order to be effective, must be filed with the Company not later than 48 hours before the meeting.**
- 5 The Register of Members and Share Transfer Books will be closed from Thursday, the July 17, 2014, to Friday, the July 25, 2014 (both days inclusive).
- 6 Dividend, if declared, will be paid to the Members whose names appear on the Register of Members as on July 25, 2014 and in respect of shares held in Electronic Form, to the beneficial owners, as per list that will be furnished by National Securities Depository Limited / Central Depository Services (India) Limited, as on that date.
- 7 Members holding shares in physical form are requested to notify, promptly, any change in their address, to the Registrar and Share Transfer Agents of the Company (RTA), M/s Integrated Enterprises (India) Limited, Chennai, quoting their Membership Number, besides changes, if any, in the Dividend Mandates given by them and those holding shares in Electronic Form, may communicate the above information to their respective Depository Participants.
- 8 Members are requested to write to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai, for more information, if any needed, on Nomination facility and / or to get a copy of Nomination Form.
- 9 Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends, upto the financial year ended March 31, 1995, have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Second Floor, Coimbatore Stock Exchange Building, Trichy Main Road, Singanallur, Coimbatore 641 005, Tamilnadu. In case any assistance is required in this regard, please write to the Registered Office of the Company.
- 10 As regards dividends pertaining to the financial year ended March 31, 1996 and thereafter, amounts remaining in the Unpaid Dividend Accounts of the Company have to be transferred to the Investor Education and Protection Fund, established by the Central Government, at the expiry of seven years from the date of transfer to the respective year's Unpaid Dividend Account. Thereafter, the Members shall have no claim

against the Fund or the Company, in respect of his unpaid dividend. Such transfer has already been effected with regard to the unpaid dividend for the financial years 1995-96 to 2005-06. The unpaid dividend for the financial year 2006-07 will be transferred to the above Fund during August 2014. Members are, therefore, requested to lodge their claims for unpaid dividend, if any, immediately with the Company.

- 11 In view of the advantages of the Depository System and for easy trading of the shares, Members are requested to opt for Dematerialisation of the shares of the Company, through any of the Depository Participants of their choice.
- 12 Members holding shares in DEMAT form are requested to incorporate the DP ID Number and Client ID Number in the Attendance Slip / Proxy Form, for easy identification of attendance at the meeting.
- 13 For receiving Dividend through National Electronic Clearing Service (NECS), Members are requested to forward the Form attached to the Circular Letter, duly filled in, to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai or to their respective Depository Participants.
- 14 Furnishing of Permanent Account Number (PAN) has been made mandatory by SEBI for all securities market transactions and off market / private transactions involving transfer of shares in physical form. It is mandatory for transferee(s) to furnish copy of PAN card to the Company / RTA for registration of transfer of such shares. It has further been clarified by SEBI that it is mandatory to furnish a copy of PAN for (i) for deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders (ii) transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares and (iii) transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
- 15 The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" to allow paperless compliances by the corporate sector. MCA, by its Circular dated April 21, 2011, has now made permissible the service of documents through electronic mode to Shareholders.

To support the Green Initiative of the Government, it is proposed to send, henceforth, all Notices, Annual Report and other communications through e-mail. For the above purpose, we request you to send an e-mail confirmation to our designated ID mentioning your name, DP / Customer ID or Folio number and your e-mail ID for communication.

On this confirmation, we would, henceforth, send all Notices, Annual Report and other communications through e-mail. Copies of the said documents would be available in the Company's website for your access. You will at all times be entitled to receive, free of cost, hard copy (paper version) of Annual Report and other communications on specific request. You are also at liberty to change the instructions from time to time.

We request you to support the Green Initiative of the Government by opting for electronic mode of receiving our corporate communications.

- 16 E-voting option is provided to Members, pursuant to Section 108 of the Companies Act, 2013. Please read carefully the "Instructions for e-voting Process" given below. Cut-off Date for e-voting is 20th June 2014.

17 Instructions For e-voting

- 1 The Company is pleased to provide Members facility to exercise their right to vote at the Fifty Fourth Annual General Meeting (AGM) by electronic means in deference to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. This business would be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
- 2 The instructions for e-Voting are as under :
 - A In case a Member receives an e-mail from NSDL [for Members whose e-mail IDs are registered with the Company / Depository Participant(s)] :
 - (i) Open the e-mail and open PDF file viz. "SPB e-voting.pdf" with your Client ID or Folio No. as Password. The said PDF file contains your User ID and Password for e-Voting. Please note that the Password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder - Login.
- (iv) Put User ID and Password as initial Password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the Password / PIN with new Password of your choice with minimum 8 digits / characters or combination thereof. Note down the new password. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Seshasayee Paper and Boards Limited.
- (viii) Now you are ready for e-Voting as Cast Vote page opens
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "vote cast successfully" will be displayed.
- (xi) Once you have voted on the Resolution(s), you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail: bksundaram@gmail.com with a copy marked to evoting@nsdl.co.in

B In case a Member receives physical copy of the Notice of AGM (for Members whose e-mail IDs are not registered with the Company / Depository Participant(s) or requesting physical copy)

- (i) Initial Password is provided as below / at the bottom of the Attendance Slip for the AGM.

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- 3 In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com.
- 4 If you are already registered with NSDL for e-voting, then you can use your existing user ID and Password / PIN for casting your vote.
- 5 You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- 6 The e-Voting period commences on Saturday, the 19th July 2014, (09.00 AM) and ends on Monday, the 21st July 2014 (06.00 PM). During this period, Shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 20th June 2014, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
- 7 The voting rights of Shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date of 20th June 2014.
- 8 Sri B Kalyanasundaram, Practicing Company Secretary (Membership No. 672) has been appointed as the Scrutiniser to scrutinize the e-Voting process in a fair and transparent manner.